

Senate Bill 2212

Testimony of Senator Howard C. Anderson Jr. of District 8

Chairman Weisz and members of the House Human Services Committee. This bill is about getting access to lower prescription drug prices for the North Dakotans.

Originally, we had three bills dealing with this issue. We have turned this one into a study to allow our state agencies, the Department of Health, the Insurance Commissioner and the Board of Pharmacy to do more research, look at what they can do financially and along with national organizations working on the same issue, get us a good idea of how we should proceed.

Most of us inherently perceive the prices for the things we buy are too high and the prices for the things we sell are too low. Prescription drugs are no different. Some of these drugs are lifesaving and we need them very badly.

It is an unacceptable risk to force our constituents to seek drugs they cannot afford through unregulated mail order pharmacies pretending to be legitimate sources of the drugs they need so they can get the price down to an affordable level.

Others will speak to the prices they pay for medications and the experience they have had with the same, or very similar (a conciliation to the manufacturers) medications purchased in Canada.

Manufacturers of prescription drugs do not like these bills. They say, "we are a free market country and we should be able to charge what we want to charge". OK, then let them explain to us and the American people why they should charge us more than those across our borders. We let them advertise on television, create a market for their product, and then tell our insurance companies what they will charge. The patient has very little ability to shop for the best price.

The pharmacy is stuck in the middle. They are trying to serve their patient while the Government or the insurance company, perhaps through their Pharmacy Benefit Manager establishing the Maximum Allowable Cost for the drug and setting the fee the pharmacy can charge.

Way back in 2003 our then Senator Dorgan got the current law set in USC 804 allowing importation of drugs from Canada. No administration ever implemented it until in December 2020 rules were promulgated by the Trump administration.

The Nation Academy of State Health Policy, a non-partisan think tank has done extensive research on this issue and drafted some model bills with input from the American Association of Retired Persons and others.

Some will say, "why Canada"? Well there are many countries with lower prescription prices than the United States. But we like Canada, particularly here in North Dakota. They are our neighbors. If we go to Canada or know Canadians, we are comfortable they get good drugs and have good health care. When a drug is approved by Health Canada, we are as comfortable with it as one approved by our own Food and Drug Administration.

Most of us have never heard a good explanation of why the same drug a few miles across the border sells for 40%, 30% or even sometimes 20% of the price for the same drug in North Dakota.

Now Canada may not be happy with us importing from them and using up their drug supply. The market usually flows to where the business is so I think they will solve that over time. There is a risk, if we are successful, prices might rise north of the border. They might also go down here.

Thank you,

Howard